

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000

OFFICE OF
INSURANCE COMMISSIONER

FILED

MAR 16 2006

Hearing Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

March 1, 2006

Founders Insurance Company
1645 E. Birchwood Ave.
Des Plaines, IL 60018

RE: Founders Insurance Company
Proposed Consent Order No. D06-95

Gentlemen:

Enclosed are two originals of Consent Order Imposing A Fine. This order will result in your company being required to pay a fine in lieu of other action relative to its certificates of authority.

Upon our receipt of the signed documents, the orders will be entered and a copy will be sent to you. You will then have 30 days in which to pay the fine.

If we have not received the signed documents by March 31, 2006, this offer is withdrawn and we will proceed with formal action relative to your certificates of authority.

Sincerely,

A handwritten signature in cursive script that reads "Marcia G. Stickler".

Marcia G. Stickler
Staff Attorney
Legal Affairs Division
360-725-7048
360-586-0152 (facsimile)
marcias@oic.wa.gov

cc: Jim Odiome

Enclosures



FILED

MAR 16 2006

OFFICE OF
INSURANCE COMMISSIONER

Hearing: Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of)

No. D 06-95

FOUNDERS INSURANCE)
COMPANY,)

CONSENT ORDER
IMPOSING A FINE

An Authorized Insurer.)

Findings of Fact:

1. Founders Insurance Company ("Founders") is authorized to conduct insurance business in Washington State. It issues property, marine transportation, vehicle, casualty and surety insurance.
2. Founders filed the signature accompanying its Statement of Actuarial Opinion with the OIC on April 28, 2005.

Conclusions of Law:

1. The failure of Founders to timely file the signature accompanying its Statement of Actuarial Opinion by the due date of February 28, 2005 constitutes a violation of RCW 48.05.250.
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.
3. WAC 284-07-060(2)(a) requires an insurer's annual statement be accompanied by a signed Statement of Actuarial Opinion as executed in accordance with the appropriate *Annual Statement Instructions* and *Accounting Practices and Procedures Manuals* promulgated by the National Association of Insurance Commissioners.

Consent to Order:

Founders consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter, in consideration of the insurer's payment of a fine, as set forth below.

1. Founders consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply with all applicable laws and regulations of Washington

Consent Order Imposing a Fine
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State. It waives further legal or administrative challenge to the actions taken, or to be taken, by the Insurance Commissioner relating to the subject matter of this order.

2. Within thirty days of the entry of this Order, Founders will pay to the Insurance Commissioner a fine in the amount of \$5,900 (five thousand nine hundred dollars).
3. If Founders fails to pay the fine in full within thirty days of the entry of this order, this will constitute grounds for the suspension or revocation of the certificate of authority held by Founders in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this _____ day of _____, 2006

FOUNDERS INSURANCE COMPANY

By: _____

PRINTED NAME: _____

PRINTED CORPORATE TITLE: _____

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Founders Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$5,900 (five thousand nine hundred dollars).
2. Failure to timely pay the fine in full will constitute grounds for the suspension or revocation of the certificate of authority held by the insurer in Washington State.
3. It will also result in a civil action being brought by the Attorney General, on behalf of the Insurance Commissioner, to recover the fine.

Executed this _____ day of _____, 2006

MIKE KREIDLER
Insurance Commissioner

By: _____
Marcia G. Stickler
Legal Affairs Division